GOVERNMENT OF INDIA
LAW AND JUSTICE
LOK SABHA

UNSTARRED QUESTION NO:6369
ANSWERED ON:12.04.2017
GST
Gopal Dr. K.

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the States' demand for a share in the administration of the tax on inter-state transfer of goods and services under the GST regime will not be in consonance with the constitutional amendment as per the Law Ministry;

(b) if so, the reasons therefor;

(c) whether allowing States to have a say in administration of GST will be constitutional; and

(d) if so, the details thereof and the reasons therefor?

Answer

A N S W E R

MINISTER OF STATE FOR LAW AND JUSTICE AND ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI P. P. CHAUDHARY)

(a) and (b): In the 9th GST Council meeting held on 16th January, 2017, it was decided that powers under the IGST Act (which deals with inter-State transfer of goods and services) shall be cross empowered to the State tax administration on the same basis as under the CGST and the SGST Acts either under law or under Article 258 of the Constitution but with the exception that the Central tax administration shall alone have the power to adjudicate a case where the disputed issue relates to place of supply, or when an affected State requests that the case be adjudicated by the CGST authority and for such issues of export and import as may be discussed in the Law Committee of officers and brought back to the Council for decision.
(c) and (d): In the 9th GST Council meeting held on 16th January, 2017, it was decided that there shall be a division of taxpayers between the Central and the State tax administrations for all administrative purposes and that out of the total number of taxpayers below Rs.1.5 crore turnover, all administrative control over 90% of the taxpayers shall vest with the State tax administration and 10% with the Central tax administration. In respect of the total number of taxpayers above Rs.1.5 crore turnover, it was decided that all administrative control shall be divided equally in the ratio of 50% each for the Central and the State tax administration.